

HOUSE JOINT RESOLUTION 850

By Richardson

A RESOLUTION urging the Bureau of TennCare to maximize the rebates provided by generic drug companies that provide generic drugs to recipients of the TennCare program.

WHEREAS, the State of Tennessee is under great financial distress and the TennCare program is one of the costliest programs for the State to administer; and

WHEREAS, the citizens of Tennessee are also experiencing financial distress and the cost of state government, either through taxation or delivery of services, contributes to that distress; and

WHEREAS, it is imperative that the State of Tennessee, and its citizenry, cut costs and control spending while taking steps to ensure that each dollar spent is spent wisely; and

WHEREAS, one step which can be taken by the Bureau of TennCare in an effort to save revenue is to address the rebates given by drug industries to TennCare; and

WHEREAS, the Pharmaceutical Research and Manufacturers Industry, which is made up of brand name drug companies, gives a rebate to the State in excess of 30% on average, while the generic drug industry offers rebates of 11% or less on average; and

WHEREAS, the generic industry represents approximately 69% of all prescriptions sold in the United States and is a financially successful industry boasting robust profits which rival those of the brand name drug companies; and

WHEREAS, it is not unreasonable to expect the generic drug industry to offer rebates to the State at the same percentage as the brand name drug companies; now, therefore,

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE ONE HUNDRED SIXTH GENERAL ASSEMBLY OF THE STATE OF TENNESSEE, THE SENATE CONCURRING, that this body hereby urges the Bureau of TennCare to immediately take the

necessary steps to ensure that it is maximizing the rebates provided by generic drug companies which provide generic drugs to participants in TennCare.

BE IT FURTHER RESOLVED, that we also urge the Bureau of TennCare to require generic drug manufacturers pay the same rebates paid by brand name companies, including a minimum 15% rebate plus an additional rebate based on its best commercial price, and to institute a penalty for all price increases which exceed the consumer price index.

BE IT FURTHER RESOLVED, that an appropriate copy of this resolution be transmitted to the commissioner of the Bureau of TennCare with this final clause omitted from such copy.